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The Voice of Small Business

MICHIGAN

To: Honorable Members of the Senate Committee on Reforms, Restructuring and Reinvention

From: Charles Owens, State Director

Date: November 9, 2011

RE: Workers' Compensation Reform: HB 5002

We are writing to you to ask for your support of House Bill 5002 that would make important changes to our workers' compensation act.

As we move forward on the important mission of creating more and better jobs for the citizens of Michigan, we must consider the impact of payroll taxes, such as the cost of workers' compensation insurance carried by most Michigan employers, on the overall business climate for our state.

Keep in mind that it is the law in our state that a Michigan business with employees must carry workers' compensation insurance or be self insured to the satisfaction of the Workers' Compensation Bureau. The vast majority of businesses in the state are not self insured and purchase coverage in the insurance market. Therefore, our system of workers compensation protection for workers is almost totally funded by employers. There is no contribution by employees.

This reform bill attempts to clarify and update many parts of our current workers compensation law that have become outdated or have been eroded by the efforts of the trial bar. By bringing stability and predictability to the law, the costs of workers' compensation coverage paid for by Michigan job providers will also be stabilized and brought under control.

Again we ask you to support House Bill 5002.

This will be a key vote for NFIB in this session.

Thank you for your support of small business.

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